

AMENDED IN SENATE APRIL 10, 2000

SENATE BILL

No. 1746

Introduced by Senator Figueroa

(Coauthor: Senator Solis)

*(Coauthors: Assembly Members Havice, Kuehl, Machado,
and Washington)*

February 23, 2000

An act to amend Section 1373.65 of the Health and Safety Code, relating to health care service plans.

LEGISLATIVE COUNSEL'S DIGEST

SB 1746, as amended, Figueroa. Health care service plan: termination of provider: notification: enrollee.

Existing law provides for the regulation and licensing of health care service plans by the Department of Managed Care, effective no later than July 1, 2000, or earlier, pursuant to an executive order of the Governor. A willful violation of the provisions governing health care service plans is a crime.

Existing law requires a health care service plan 30 days prior to termination of a contract with a medical group or individual practice association to provide affected enrollees with a written notice of the change. Existing law permits the plan when terminating a contractual arrangement with an individual provider within a medical group or individual practice association to have that group or association notify the enrollees who are patients of that provider.

This bill ~~would require the health care service plan to notify enrollees when terminating the contractual arrangement with an individual provider, and~~ would specify the method for

delivering written notice, and the procedure to follow if the written notice is returned as undeliverable. The bill would require the notice to provide instructions for enrollees to choose a new ~~“gatekeeper”~~ “primary care provider” and would define that term. The bill would permit an enrollee to self-refer under specified conditions. The bill would require the waiver by the plan of enrollee copayments for emergency treatment under specified conditions. *The bill would exempt from these requirements a health care service plan contract that provides benefits through preferred provider contractual arrangements, if the plan does not require the enrollee to choose a primary care provider.*

Because a violation of this bill’s requirements with respect to a health care service plan would be a crime, this bill would impose a state-mandated local program by creating a new crime.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: yes.

The people of the State of California do enact as follows:

1 SECTION 1. Section 1373.65 of the Health and Safety
 2 Code is amended to read:
 3 1373.65. (a) Thirty days prior to terminating, for any
 4 reason, a contract with a medical group, individual
 5 practice association, or individual provider, the plan shall
 6 provide written notice of the termination to enrollees
 7 who are at that time receiving a course of treatment from
 8 a provider of that medical group, individual practice
 9 association, or individual provider, or are designated as
 10 having selected that medical group, individual practice
 11 association, or individual provider for their care. The
 12 notice shall include instructions on selecting a new
 13 ~~gatekeeper~~ primary care provider.

1 (b) When a plan terminates a contractual
2 arrangement with an individual provider within a
3 medical group or individual practice association, the plan
4 may request that the medical group or individual practice
5 association notify the enrollees who are patients of that
6 provider of the termination.

7 (c) A plan shall disclose the reasons for the termination
8 of a contract with a provider to the provider only when
9 the termination occurs during the contract year.

10 ~~(e)~~

11 (d) Notwithstanding subdivision (b), whenever a plan
12 indicates that a provider's contract is being terminated
13 for quality of care reasons, it shall state specifically what
14 those reasons are.

15 ~~(d)(1)~~

16 (e) An enrollee shall not be required to have the
17 approval of a ~~gatekeeper~~ primary care provider, and all
18 self-referrals within the health care service plan shall be
19 approved until a ~~gatekeeper~~ primary care provider is
20 assigned or chosen, if either of the following occur:

21 ~~(A)~~

22 (1) The enrollee has not been notified pursuant to
23 subdivision (a) that his or her ~~gatekeeper~~ primary care
24 provider has ceased to be affiliated with the health care
25 service plan.

26 ~~(B)~~

27 (2) The enrollee has not chosen a ~~gatekeeper~~ primary
28 care provider after receiving the notice required by
29 subdivision (a) and the health plan has not assigned the
30 enrollee a ~~gatekeeper~~ primary care provider within 30
31 days of that notice.

32 ~~(3) If an enrollee is not required to have the approval~~
33 ~~of a gatekeeper pursuant to paragraph (2), copayments~~

34 (f) If an enrollee is required to have the approval of a
35 primary care provider for emergency services and has
36 not been notified pursuant to subdivision (a),
37 copayments which would appear reasonable to a prudent
38 person for emergency treatment provided in or out of the
39 health care service plan shall be waived by the health care
40 service plan.

1 ~~(e)~~

2 (g) All notifications required by this section shall be by
3 United States mail. ~~If an enrollee's premiums are paid in~~
4 ~~full or in part by the enrollee's employer, notice shall be~~
5 ~~mailed to the employer at the same time it is mailed to the~~
6 ~~enrollee.~~ If the notice to the enrollee is returned as
7 undeliverable, the person responsible for providing the
8 notice shall telephone the enrollee. If telephone contact
9 cannot be completed, the health care service plan shall
10 notify the enrollee upon the first subsequent contact that
11 the enrollee has with the health care service plan.

12 ~~(f)~~

13 (h) (1) For purposes of this section—~~“gatekeeper”~~
14 ~~means a primary care provider “; primary care provider”~~
15 ~~means a physician~~ whose initiation or approval of a
16 referral of an enrollee to a specialist or for procedures not
17 performed by the primary care provider is required by
18 the health care service plan before the plan will authorize
19 the referral.

20 (2) *For purposes of this section, a specialist may be a*
21 *primary care provider; but only for those enrollees whose*
22 *specialist meets the criteria of paragraph (1).*

23 (i) *This section is not applicable to a health care*
24 *service plan contract that provides benefits to enrollees*
25 *through preferred provider contracting arrangements if*
26 *the plan does not require the enrollee to choose a primary*
27 *care provider.*

28 SEC. 2. No reimbursement is required by this act
29 pursuant to Section 6 of Article XIII B of the California
30 Constitution because the only costs that may be incurred
31 by a local agency or school district will be incurred
32 because this act creates a new crime or infraction,
33 eliminates a crime or infraction, or changes the penalty
34 for a crime or infraction, within the meaning of Section
35 17556 of the Government Code, or changes the definition
36 of a crime within the meaning of Section 6 of Article
37 XIII B of the California Constitution.

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